



First half 2022–2023 results

Return to profit levels in line with expectations

H1 results (October 2022–March 2023)	2021–2022 (€m)	2022–2023 (€m)
SALES	406.9	483.1
RECURRING EBITDA¹	17.4	29.0
<i>% of sales</i>	4.3%	6.0%
CURRENT OPERATING INCOME (EBIT)	7.2	15.8
<i>% of sales</i>	1.8%	3.3%
Non-recurring items	(1.9)	0.1
Net financial income/(expense)	0.3	(8.3)
Tax and share of profit of associates	(3.6)	(3.4)
NET INCOME	1.9	4.2
<i>% of sales</i>	0.5%	0.9%
NET FINANCIAL DEBT	(154.6)	(176.4)

Sales 6 months (October 2022– March 2023)	2021–2022	2022–2023	Change (reported)		Change (LFL²)	
	Reported	Reported	€m	%	€m	%
AGRICULTURAL SPRAYING	186.8	236.8	+50.0	+26.7%	+44.5	+23.8%
SUGAR BEET HARVESTERS	39.2	53.8	+14.6	+37.4%	+15.3	+39.0%
LEISURE	55.2	62.1	+6.9	+12.5%	+2.5	+4.5%
INDUSTRY	125.7	130.4	+4.7	+3.7%	+3.1	+2.5%
EXEL Industries Group	406.9	483.1	+76.2	+18.7%	+65.3	+16.1%

¹Recurring EBITDA = current operating income (EBIT) + depreciation and amortization of non-current assets + change in provisions (excluding provisions on current assets) + share of profit of associates

²Like-for-like (LFL) = at constant foreign exchange rates and scope

Sales

First half 2022–2023

EXEL Industries posted revenue of **€483.1 million** for the first half of 2022–2023, up **18.7%** as reported and up **16.1%** at constant foreign exchange rates and scope.

Agricultural spraying revenue increased in Europe and North America, still benefiting from a stable full order book over the next 6 to 12 months for all Group brands. The Sugar beet harvesting business posted solid revenue growth driven by sales of new generation sugar beet harvesters and demand in Eastern Europe. In the Garden business, after declining in 2022, the market returned to pre-COVID volumes but continued to be impacted by adverse weather conditions lasting up until now and inventory clearance among distributors. Industry volumes remained broadly stable except in Asia, where they continue to grow.

Results

Reported recurring EBITDA improved sharply to €29.0 million, or 6.0% of revenue. Several factors explain this increase:

- The easing of supply chain tension and the increase in production rates in support of a constantly well-stocked order book enabled Agricultural spraying to grow significantly. Ongoing momentum in North America and Asia/Oceania underpinned the Group's various activities during the first half. The various price increases implemented over the past few months have allowed the Group to preserve the gross margin amid the upward trend.
- Overheads have increased due to strong inflation and the gradual resumption of marketing and communication expenses.

Net income for the first half of 2022–2023 totaled **€4.2 million** versus €1.9 million in 2022.

- **Non-recurring income** almost broke even at **€0.1 million**. Non-recurring items in 2021–2022 included impairment of assets located in the Ukrainian war zone.
- **Net financial income/(expense) deteriorated sharply to a €8.3 million net expense** due to changes in foreign exchange gains and losses: currency movements resulted in an unrealized loss of €6 million, whereas the Group recorded a €2 million gain last year. The loss was exacerbated by the increase in cost of debt due to interest rate hikes over the past few months, despite the conversion of part of the debt to fixed rates, and by the increase in net debt versus the previous year.

Balance sheet

Net financial debt at March 31, 2023 was €176.4 million, compared to €154.6 million in 2022. This increase, as expected and in line with seasonal trends, remained limited however after the high point reached at the end of September 2022 following the increase in inventories (mainly work-in-progress) to supply the substantial order book in Agricultural spraying and Sugar beet harvesting. Nevertheless, special attention is being paid to managing working capital across all Group business lines and this item is currently under control.

Outlook

- **AGRICULTURAL SPRAYING**

- The Group continues to adjust its selling prices in response to rising purchase costs.
- Despite the relative decline in agricultural product prices, order books remain well-stocked in all Group regions including Eastern Europe.
- Initial sales of the TRAXX autonomous high-clearance tractor are progressing in accordance with our forecasts and testing has begun on the TRAXX Hydrogen prototype.
- Sales of our 3S Spot Spray Sensor® precision spraying solution for large-scale crops were in line with our forecasts. Sales will accelerate over the coming months.

- **SUGAR BEET HARVESTING**

- The recent exceptional increase in sugar prices is expected to bolster new machine sales over the coming months. There is still a fair amount of arable land, except in France.

- **LEISURE**

- The market is impacted by weather conditions and inventory clearance among distributors. Provided weather conditions remain favorable, business is expected to return to volumes comparable to the pre-COVID period.

- **INDUSTRY**

- Regional trends are expected to remain the same in the three main markets marked by stabilization in Europe and North America and sustained growth in Asia.

Yves Belegaud, Chief Executive Officer of the EXEL Industries Group:



"An encouraging first half benefiting from a slight easing in supply chains and strong volume growth in agricultural equipment. The Group also benefits from a solid order book offering clear visibility over the coming quarters. Managing working capital remains a priority for the Group's development."

Upcoming events

- **May 30, 2023:** SFAF presentation of H1 2022–2023 results.
- **July 25, 2023,** before market opening: Q3 2022–2023 sales.

About EXEL Industries

EXEL Industries is a French family-owned group that designs, manufactures and markets capital equipment and provides associated services that enable its customers to improve efficiency and productivity or enhance their well-being while achieving their CSR objectives.

Driven by an innovation strategy for 70 years, EXEL Industries has based its development on innovative ideas designed to offer customers unique, efficient, competitive and user-friendly products.

Since its inception, the Group has recorded significant growth in each of its markets through both organic growth and corporate acquisitions, underpinned by a stable shareholder base guided by a long-term development strategy.

EXEL Industries employs approximately 3,770 permanent employees spread across 27 countries and five continents. The Group posted FY 2021-2022 sales of €977 million.

Euronext Paris, SRD Long only – compartment B (Mid Cap) EnterNext© PEA-PME 150 index (symbol: EXE/ISIN FR0004527638)

Press release available onsite www.EXEL-industries.com

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